



## Climate-Responsible Finance - a Moral Imperative towards Children

9 May 2022

In October 2021, an inter-religious message and appeal acknowledged the need to align financial investments with environmentally and socially responsible standards, ensuring greater accountability and transparency, and moving away from investments in fossil fuels and toward investments in renewable energy and restorative agriculture.<sup>1</sup>

Accordingly, we, leaders of the undersigned organisations, affirm our commitment to engaging with the financial institutions through which we bank, invest, and seek insurance coverage, to ensure that our financial dealings are aligned with the Paris Agreement objective of limiting global warming to 1.5° C.

In response to the gravity of the Intergovernmental Panel on Climate Change's 6<sup>th</sup> Assessment Report, we expect all financial service providers working for our organisations to ensure their activities are promoting a just transition to a sustainable future and not contributing to the climate crisis and harming vulnerable populations, children and future generations of life on earth. As documented by UNICEF, one billion children at 'extremely high risk' of the impacts of the climate crisis"<sup>2</sup>

We ask our financial service providers to invest in renewable energies and innovative environmental solutions that are sustainable for people, communities and ecosystems.

We will review our pension, banking, insurance and other financial service arrangements to ensure evidence-based accountability in this regard, as a moral imperative and responsibility to all children and the living world.

We call upon our financial service providers to take urgent and effective action to transition out of fossil fuel financing – in line with decarbonisation pathways as established by the scientific community<sup>1</sup> – while positioning investment portfolios in ways that will help to meet net-zero GHG emissions by 2050, by

- investing in renewable energies and research for climate solutions
- adopting a commitment to fully phase-out financial services and exposure to coal no later than 2030 for European Union and the Organisation for Economic Co-operation and Development Member States, and no later than 2040 worldwide, and requesting a corresponding, dated phase-out commitment from all coal-linked companies remaining in their portfolios.

<sup>1</sup> <https://www.oikoumene.org/resources/documents/faith-and-science-an-appeal-for-cop26>

<sup>2</sup> <https://www.unicef.org/press-releases/one-billion-children-extremely-high-risk-impacts-climate-crisis-unicef>

- ending all financing towards any new oil and gas projects exploration and extraction projects, as established by the latest climate change mitigation science and modelling.<sup>3</sup>
- requiring oil and gas companies to stop all new development or expansion projects beyond 2022, including especially all such projects in the Arctic region.
- joining the UN-convened Net Zero Asset Owner, Banking and/or Insurance Alliances<sup>4</sup>, depending on the type of financial institution concerned, if they are not yet part of them.

We urge the financial institutions working with our organisations to regularly report on progress, including establishing intermediate targets every five years<sup>5</sup> in line with the Paris Agreement Article 4.9.

We invite all members of our constituencies and all our partners to do likewise, so that together we may move beyond words to effective action and be the change for which we call.

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<sup>3</sup> As per, among other landmark compilations, IPCC's Special Report 1.5C no/low overshoot pathways, including its renewed forthcoming release in March 2022, and the IEA's 2021 net-zero by 2050 roadmap.

<sup>4</sup> These Alliances provide capacity building to undertake time-bound and effective steps to transition investment portfolios to net-zero GHG emissions by 2050

<sup>5</sup> With the first such intermediary targets being set for, and attained in, ideally 2025, but no later than 2030.

Annex:

Resources to support alignment with the Paris Accords:

- for asset owners: <https://www.unepfi.org/net-zero-alliance/>
- for banks: <https://www.unepfi.org/net-zero-banking/>
- for insurers: <https://www.unepfi.org/net-zero-insurance/>